

**USTR Zoellick  
Media Roundtable  
Mauritius  
January 16, 2003**

**USTR Zoellick:** How are all of you? I'm sorry if I kept you waiting, but we had a very good session on the WTO. We just finished. You're new, yes? Who's new?

**Jim Fisher-Thompson (Washington File):** Jim Fisher-Thompson, the Washington File.

**USTR Zoellick:** I just have a couple of... I thought I'd just give you a little report on the day very quickly and then we have a few minutes for questions. I've got to get back to prepare some things for tomorrow and then attend a reception.

But, I'll make 3 points. One is that I was pleased in that a number of the African ministers told us that they were extremely pleased with the message the President conveyed last night via videotape. I got the primary sense that his focus on the extension of AGOA helped give them a feeling of the overall commitment to it. A number of them commented on the positive sense they got on that, as well as his talk about some of the work on dealing with HIV/AIDS.

Second, during the day I received a number of reports about very good government-business interaction. I spent a number of my days in what we call bilateral meetings, meetings with other ministers. But, a number of them gave me accounts of Africans meeting with investors. I attended a special session that was dealing with the apparel issues, which are obviously very prominent in people's minds. I met last night with a group of US retailers that represent, probably, 90 percent of the market of AGOA imports. And, I was very pleased in that a couple of the major points they made were, first, they felt that Africa could compete in the apparel market if African countries continued to approach it recognizing the competition they face. A number of them said that they wanted to put a cap on their imports from China because they didn't want to be dependent only on one region. So, there is definitely an opportunity for Africa. We had a number of discussions today about the expiration of the provisions dealing with third party fabrics in September of 2004. And, the advice was extremely useful because while some countries favored an extension, they were also careful about not extending it too long because Africa is starting to develop textile and fabric industries and the apparel manufacturers said that the most competitive countries or regions would be those that had an integrated operation, preferably everything from growing the cotton or having the materials through the yarn and the spinning up to the apparel. And so, if Africa can develop that, one would certainly want to create the incentives for that. And, you're starting to see some of that. You are starting to see it in South Africa, you're seeing it in Mauritius, starting to see it in Kenya. But, I think that the general impression I got was that there was probably still a need for an extension for a period of time. And so, we will be discussing that when we return. And the other interesting part was that a number of African ministers told me how AGOA had helped develop the intra-African trade. For

example, the Namibian minister told me about how they never had any business dealing with Mali, and now they did because it is part of their apparel network.

Third, in some of my bilateral meetings and in the session we just had, we focused on the Doha agenda. And I emphasize the importance of this because for all our work with AGOA or our work with SACU we believe it's important to complement the US-African trade by recognizing its connection with global trade. And I made the point that I believe that Africa's voice is essential to a successful Doha negotiation. The developing world certainly isn't uniform. And, one size doesn't fit all. India's and China's interests may not be Africa's interests. I talked particularly about the proposals in agriculture, goods and services and related that also to capacity building, special and differential treatment, and biotechnology. And, I explained that the United States wants to help Africa leverage its voice in the Doha negotiations. We then had a very good session of questions that covered the TRIPS and medicine issues, special and differential treatment, capacity building, agriculture, biotechnology, food security. So, we covered a lot of ground.

So, happy to take your questions.

**Adam Roberts, The Economist:** This afternoon I called the Ministry of Agriculture in Paris to tell them something you said yesterday about the French and France's role in Africa. They told me that they are planning to come to Washington to talk to you about various things next week. Can you tell us what will be on the agenda at that meeting?

**USTR Zoellick:** Well, the person who made the statement was Minister Loos, so you called the wrong ministry – it was the trade minister. And, I've gotten some reports, but I don't know whether they're official, that others have raised questions about the minister's statements and now some people may be saying, "Well, the minister didn't say those statements." But, you know, reporters always get things wrong. Right? So, I look forward to meeting the French agriculture minister as well and I hope we'll have a chance to talk about the Doha negotiations. I hope we'll have a chance to talk about the report from the French Academy of Medicine, supporting biotechnology and urging the lifting of the moratorium. And, if he's interested in talking about Africa, I'd be delighted to talk about that, too. I hope that by that time other voices in Europe will make clear, as I said yesterday, that the age of colonialism and mercantilism is over, and that we welcome European trade in Latin America and all around the world, and I would think that most Europeans would welcome the United States' trade in Africa and elsewhere.

**Matt Rosenberg, Associated Press:** Sir, I'm wondering, already some gains made under AGOA by African producers are cutting into the profits of (inaudible). As producers in other industries, in other sectors, begin to cut into the profits of American producers, can the Bush Administration withstand the political pressures?

**USTR Zoellick:** Well, a couple of points: One, we are working with a law that was passed by Congress. That law, or what it refers to is, under AGOA or under the Generalized System of Preferences, there is the ability for people to petition and, under certain circumstances, to try to seek relief. And, the Administration has to follow

procedure, where we often have to go to the International Trade Commission, get a review of it, then the President has to make determinations. I don't think it would be appropriate for me to make a generalized statement about those because we have to evaluate them case-by-case on the facts. I'd say this: Is that, this is one of the reasons why.

First, I think these sessions are very useful, not only for me but for my colleagues from all the other departments to see how important AGOA is for the development here so as to have a sense of ongoing commitment.

Second, the President's statement, again, emphasized the top-level commitment on these issues. And third, I think it was very useful to have a congressional delegation here. We had the Chairman of the Budget Committee, Chairman of the Ways and Means Committee, and they could see directly the benefits of this. And, finally, it's one of the reasons why when we discuss the free trade agreement with the SACU countries they see a benefit of a more reciprocal arrangement because the danger of unilateral preferences is always that they can be withdrawn. And, it's one of the points that I actually made in the context of the WTO agriculture negotiations is that we, you know, some countries have said, "Well, look, why do we really need to get an agreement that lowers tariffs further?" And I said... and because right now Europe and Japan are going to Africa and saying, "Well, we'll give you special preferences." And, I'm happy that they do, just like we give preferences under AGOA, but when you have unilateral preferences it doesn't have the same standing as it does under a trade agreement and in addition doesn't get at subsidies. So it's one of the exact points I made about why the United States and Africa need to work together on the agricultural subsidies and tariff issues. In the case of AGOA, I think that you have seen a strong US commitment on these topics. They are not easy for us in the apparel area, as you know, but I think we've been able to build the support and I hope we continue to do so. And, by the way, the other thing on those petitions is that there are other petitions that countries can bring in to add products. For example, there's another petition about adding, I think it's magnesium flake, which is actually important for South Africa and some others. So, you can add to the openings, too.

**Jim Fisher-Thompson, Washington File:** As a follow-up to what you've just said, sir, what is the implication of the President's announcement that AGOA is going to be extended beyond 2008?

**USTR Zoellick:** Well, I think for the Africans it was a statement of reassurance about the recognition that AGOA is very important for them and they hope they can rely on it for a time in the future. And, as the President said in his statement, we need to work this out with Congress on how to try to do it. But, I think it was seen as a statement from the top of the US Government that you recognized that AGOA was increasingly becoming a fundamental part of a number of the development and growth strategies here. And it's the discussion, what you see here have the time for some of the detailed exchanges, is things like this example that I wouldn't have known about from Namibia where it's helping regional integration separate from the United States. And, also – I forget which

sessions you have been in, have been able to participate in – I got a question from Malawi about, “Well, we’re a landlocked country, how do we take advantage of these things?” And, separately, again, the people from Namibia pointed out that, you know, you could say that Lesotho and Swaziland too were landlocked but they are now part of a regional integration system that now has transportation networks. So, it’s part, as in many, good ventures, it becomes a catalyst for many things, and you know I’ve always felt that this is a moment of change in Africa, and that you are seeing a new generation. I met the new Kenyan Trade Minister today, and the first point that he stressed was the importance of dealing with corruption. That’s a very good sign. And we talked a little bit about that thing he talked about that because Kenya is a country I’ve visited and know rather well and that has certainly been a problem in the past.

And so you do have people that are bringing a fresh look, and we want to try to embrace that spirit of openness. But I’ll also say, with this session that just finished, we don’t underestimate the problems, you know I don’t to say that all these problems can be solved simply through AGOA or overnight or in a year or in five years. When I meet some of the officials from countries that have been racked with conflict, the HIV-AIDS problem, you know there are enormous challenges here, and you need a comprehensive approach to try to deal with them. But I’m always encouraged when I meet with these new generation of Africans because they’ve certainly got the energy and commitment, and enthusiasm and I think that it’s in the U.S. interest and the global interest to be supportive of them.

**Question:** Has there been any reaction to the specific free trade agreement that was organized before coming to AGOA, from the other AGOA countries, regarding the Southern African Customs Union?

**USTR Zoellick:** There were some questions on the first day. And I think the questions were driven by a number of perspectives, about whether this was seen as supplanting AGOA or building on it. And both we and the SACU countries saw it as building on it. And I think that’s why also the President’s comments about extension also helped reassure people about the fact that we see these as complimentary and building measures.

**Question:** [unintelligible] were there any concerns that were raised by the Africans, and is it correct to say that you are pushing for a African-American [unintelligible]?

**USTR Zoellick:** Well certainly there were concerns raised, I mean that’s the nature of the discussion. So whether it be capacity building, we had a good discussion on TRIPS and medicine. And one of the problems we run into, is that, you know for a number of African capitals, they get their information about this from NGO’s, and NGO’s sometimes don’t represent our position carefully. And so I had a number of African Ministers come up and say “we’re really pleased to understand what you are trying to do.” Because I was pointing out that the problem that we saw on that issue was that, more and more countries wanted to have the ability to import from third countries, which was what this was about, including countries that have very strong pharmaceutical industries. And so you expand it, the set of countries that were supposed to use this

special privilege, to about 120. And then some countries wanted to expand the scope of disease. So if you take what's supposed to be an exception for special circumstance, expand it to almost every country except the OECD countries, and then you expand it to every disease, you've kind of blown a hole in the whole intellectual property regime. And for example, Minister Malie of Lesotho, said that's certainly not their intention, because they understand the role of intellectual property.

Now as for your second question, whether we will come with one voice, I wouldn't be so presumptuous on our part. In other words, I think we have a lot of common interests, I emphasize those particularly in the area of agriculture, goods and services. I want to have a dialogue, and we believe there are many areas we can work with Africa. But Africa are sovereign states, they'll make their own decisions, and we look for more and more areas of convergence. But I can't assume we will agree on everything as we go forward. And you don't need to. I mean we have NAFTA partners, and we disagree with Canada and Mexico, but we're very close on other things.

Thank you.